

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

IN RE: BLACK FORGE COFFEE HOUSE MCKEES ROCKS LLC, Debtor.	Bankruptcy No. 21-21595-GLT Chapter 11 Related Doc. Nos.
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Black Forge Coffee House Mckees Rocks, LLC (“Debtor” or “BFCHMR”), Debtor and Debtor-in-Possession, by and through its proposed undersigned counsel, hereby files its status report and pursuant 11 U.S.C § 1188(c) stating as follows:

1. On July 12, 2021 (“Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code at case number 21-21594 (the “BFCHMR Bankruptcy Case”).
2. On July 12, 2021, related Debtor Black Forge Coffee House, LLC (“BFCH” together with BFCHMR, the “Debtors”) filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code at case number 21-21595 (the “BFCH Bankruptcy Case” together with the BFCHMR Bankruptcy Case, the “Bankruptcy Cases”).
3. On July 13, 2021, James S. Fellin was appointed as the subchapter V Chapter 11 Trustee (“Trustee”) for the Debtors.
4. On August 9, 2021, Debtors filed a Motion to Substantively Consolidate the Bankruptcy Cases given the significant interrelationships between the Debtors.
5. BFCHMR is a Pennsylvania limited liability business operating as a coffee shop, music venue and roastery at its business location at 701 Chartiers Avenue, McKees Rocks, PA 15136 (“McKees Rocks Coffee House”).
6. Related Debtor BFCH is a Pennsylvania limited liability business operating as a coffee shop

at its business location at 1206 Arlington Avenue, Pittsburgh, PA 15210 (“Allentown Coffee House”).

7. BFCH and BFCHMR share employees at its two locations and presently have a total number of 17 employees.

8. The Debtors operate under the same “Black Forge” brand at their two retail locations.

9. The Debtors also own and operate an online retail store through their shared website blackforgecoffee.com.

10. BFCHMR was incorporated on April 15, 2019 and accordingly has no tax returns prior to 2019.

11. BFCHMR recently filed its Application for Automatic Extension of Time to File Certain Business Income Tax, Information and Other Returns (Form 7004) for 2019 and 2020. Copies of those Requests were also filed at Doc. No. 49.

12. BFCHMR also owes 2019 and 2020 tax liabilities to the Pennsylvania Department of Revenue. Debtor scheduled this claim for \$3,282.54. The Pennsylvania Department of Revenue has filed a claim, claim number 2 on the claims docket for a secured tax claim of \$ 3,270.66 and an unsecured claim of \$6,290 for sales, use tax owed.

Plan for Reorganization

13. In these Bankruptcy Cases, the Debtors intend to propose a Joint Plan of Reorganization to restructure pre-petition debt so as to be afforded the opportunity to emerge from bankruptcy with the ability to meet future ongoing obligations and exceed pre-pandemic expectations. The COVID government shut-down orders significantly impaired traffic at the Allentown Coffee House and ground business at the McKees Rocks Coffee House/music venue almost to a screeching halt.

14. The Debtors have requested that this Honorable Court substantively consolidate these Bankruptcy Cases. If granted, the Debtors will propose a joint Plan of Reorganization pursuant to which the Debtors intend to emerge from bankruptcy as operating entities.

15. The Debtors are working on monthly projections for the Joint Plan and budget. The Debtors are analyzing revenue streams and profitability to ultimately facilitate a feasible plan of restructuring and reorganization.

16. Likewise, the Debtors have been working cooperatively with Bridgeway Capital, the first position lien holder with a security interest on the McKees Rocks Coffee House and both Debtors' cash collateral, so as to develop a mutually agreeable cash collateral budget as well as a consensual plan strategy and claims treatment.

17. If the Debtors are unable to develop timely a feasible proposed plan of reorganization, the Debtors intend to sell the real property located at the McKees Rocks Coffee House.

18. As of this Report, the Debtors intend to file their joint plan of reorganization within the 90-day deadline imposed by Section 1189(b) of the Bankruptcy Code, but reserve their right to request an extension of such deadline should circumstances warrant.

Respectfully submitted,

BERNSTEIN-BURKLEY, P.C.

By: /s/ Salene M. Kraemer

Salene M. Kraemer, Esq.

PA I.D.: 86422

Lara S. Martin, Esq.

PA I.D.: 307272

707 Grant Street, Suite 2200, Gulf Tower

Pittsburgh, PA 15219

Phone: (412) 456-8100

Fax: (412) 456-8135

Email: skraemer@bernsteinlaw.com

Proposed Attorney for Debtors

